

Part 12

Property Tax Relief

59-2-1201 Purpose of part.

The purpose of this part is to provide general property tax relief for certain persons who own or rent their places of residence through a system of tax credits, refunds, and appropriations from the General Fund. The relief is to offset in part the general tax burden, a significant portion of which, directly or indirectly, is represented by property tax. Accordingly, the tax relief provided by this part is determined in part by reference to the property tax assessment and collection mechanisms, but, however, is not limited to property tax relief nor is it formulated upon the Legislature's power to relieve those taxes. It is for the general relief of all taxes.

Renumbered and Amended by Chapter 4, 1987 General Session

59-2-1202 Definitions.

As used in this part:

- (1)
 - (a) "Claimant" means a homeowner or renter who:
 - (i) has filed a claim under this part;
 - (ii) is domiciled in this state for the entire calendar year for which a claim for relief is filed under this part; and
 - (iii) on or before the December 31 of the year for which a claim for relief is filed under this part, is:
 - (A) 65 years of age or older if the person was born on or before December 31, 1942;
 - (B) 66 years of age or older if the person was born on or after January 1, 1943, but on or before December 31, 1959; or
 - (C) 67 years of age or older if the person was born on or after January 1, 1960.
 - (b) A surviving spouse, who otherwise qualifies under this section, is an eligible claimant regardless of age.
 - (c) If two or more individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be, but if they are unable to agree, the matter shall be referred to the county legislative body for a determination of the claimant of an owned residence and to the commission for a determination of the claimant of a rented residence.
- (2)
 - (a) "Gross rent" means rental actually paid in cash or its equivalent solely for the right of occupancy, at arm's-length, of a residence, exclusive of charges for any utilities, services, furniture, furnishings, or personal appliances furnished by the landlord as a part of the rental agreement.
 - (b) If a claimant occupies two or more residences in the year and does not own the residence as of the lien date, "gross rent" means the total rent paid for the residences during the one-year period for which the renter files a claim under this part.
- (3) "Homeowner's credit" means a credit against a claimant's property tax liability.
- (4) "Household" means the association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses.
- (5) "Household income" means all income received by all persons of a household in:
 - (a) the calendar year preceding the calendar year in which property taxes are due; or

- (b) for purposes of the renter's credit authorized by this part, the year for which a claim is filed.
- (6)
- (a)
- (i) "Income" means the sum of:
- (A) federal adjusted gross income as defined in Section 62, Internal Revenue Code; and
 - (B) all nontaxable income as defined in Subsection (6)(b).
- (ii) "Income" does not include:
- (A) aid, assistance, or contributions from a tax-exempt nongovernmental source;
 - (B) surplus foods;
 - (C) relief in kind supplied by a public or private agency; or
 - (D) relief provided under this part, Section 59-2-1108, or Section 59-2-1109.
- (b) For purposes of Subsection (6)(a)(i), "nontaxable income" means amounts excluded from adjusted gross income under the Internal Revenue Code, including:
- (i) capital gains;
 - (ii) loss carry forwards claimed during the taxable year in which a claimant files for relief under this part, Section 59-2-1108, or Section 59-2-1109;
 - (iii) depreciation claimed pursuant to the Internal Revenue Code by a claimant on the residence for which the claimant files for relief under this part, Section 59-2-1108, or Section 59-2-1109;
 - (iv) support money received;
 - (v) nontaxable strike benefits;
 - (vi) cash public assistance or relief;
 - (vii) the gross amount of a pension or annuity, including benefits under the Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et seq., and veterans disability pensions;
 - (viii) payments received under the Social Security Act;
 - (ix) state unemployment insurance amounts;
 - (x) nontaxable interest received from any source;
 - (xi) workers' compensation;
 - (xii) the gross amount of "loss of time" insurance; and
 - (xiii) voluntary contributions to a tax-deferred retirement plan.
- (7)
- (a) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest, and charges for service, levied on a claimant's residence in this state.
- (b) For a mobile home, "property taxes accrued" includes taxes imposed on both the land upon which the home is situated and on the structure of the home itself, whether classified as real property or personal property taxes.
- (c)
- (i) Beginning on January 1, 1999, for a claimant who owns a residence, "property taxes accrued" are the property taxes described in Subsection (7)(a) levied for the calendar year on 35% of the fair market value of the residence as reflected on the assessment roll.
- (ii) The amount described in Subsection (7)(c)(i) constitutes:
- (A) a tax abatement for the poor in accordance with Utah Constitution Article XIII, Section 3; and
 - (B) the residential exemption provided for in Section 59-2-103.
- (d)
- (i) For purposes of this Subsection (7) property taxes accrued are levied on the lien date.
- (ii) If a claimant owns a residence on the lien date, property taxes accrued mean taxes levied on the lien date, even if that claimant does not own a residence for the entire year.

- (e) When a household owns and occupies two or more different residences in this state in the same calendar year, property taxes accrued shall relate only to the residence occupied on the lien date by the household as its principal place of residence.
- (f)
 - (i) If a residence is an integral part of a large unit such as a farm or a multipurpose or multidwelling building, property taxes accrued shall be the same percentage of the total property taxes accrued as the value of the residence is of the total value.
 - (ii) For purposes of this Subsection (7)(f), "unit" refers to the parcel of property covered by a single tax statement of which the residence is a part.
- (8)
 - (a) As used in this section, "rental assistance payment" means any payment that:
 - (i) is made by a:
 - (A) governmental entity; or
 - (B)
 - (I) charitable organization; or
 - (II) religious organization; and
 - (ii) is specifically designated for the payment of rent of a claimant:
 - (A) for the calendar year for which the claimant seeks a renter's credit under this part; and
 - (B) regardless of whether the payment is made to the:
 - (I) claimant; or
 - (II) landlord; and
 - (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the terms:
 - (i) "governmental entity";
 - (ii) "charitable organization"; or
 - (iii) "religious organization."
- (9)
 - (a) "Residence" means the dwelling, whether owned or rented, and so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multidwelling or multipurpose building and a part of the land upon which it is built and includes a mobile home or houseboat.
 - (b) "Residence" does not include personal property such as furniture, furnishings, or appliances.
 - (c) For purposes of this Subsection (9), "owned" includes a vendee in possession under a land contract or one or more joint tenants or tenants in common.

Amended by Chapter 382, 2008 General Session

59-2-1203 Right to file claim -- Death of claimant.

- (1)
 - (a) The right to file a claim under this part is personal to the claimant.
 - (b) The right to file a claim does not survive the claimant's death.
 - (c) The right to file a claim may be exercised on behalf of a claimant by:
 - (i) a legal guardian of the claimant; or
 - (ii) an attorney-in-fact of the claimant.
- (2)
 - (a) If a claimant dies after having filed a timely claim, the amount of the claim shall be disbursed to another member of the household as determined by the commission by rule.

- (b) If the claimant described in Subsection (2)(a) was the only member of the household, the claim may be paid to the executor or administrator, except that if neither an executor or administrator is appointed and qualified within two years of the filing of the claim, the amount of the claim shall escheat to the state.
- (3) If the claimant is the grantor of a trust holding title to real or tangible personal property on which a credit is claimed, the claimant may claim the portion of the credit and be treated as the owner of that portion of the property held in trust for which the claimant proves to the satisfaction of the county that:
 - (a) title to the portion of the trust will revert in the claimant upon the exercise of a power:
 - (i) by:
 - (A) the claimant as grantor of the trust;
 - (B) a nonadverse party; or
 - (C) both the claimant and a nonadverse party; and
 - (ii) regardless of whether the power is a power:
 - (A) to revoke;
 - (B) to terminate;
 - (C) to alter;
 - (D) to amend; or
 - (E) to appoint;
 - (b) the claimant is obligated to pay the taxes on that portion of the trust property beginning January 1 of the year the claimant claims the credit; and
 - (c) the claimant meets the requirements under this part for the credit.
- (4) The amount described in Subsection 59-2-1202(7)(c)(i) is in addition to any other exemption or reduction for which a homeowner may be eligible, including the homeowner's credit provided for in Section 59-2-1206.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1204 Renter's and homeowner's credits authorized -- No interest allowed.

- (1) If a claimant who owns a residence files an application for a homeowner's credit under Section 59-2-1206 and meets the requirements of this part, the claimant's property tax liability for the calendar year is equal to property taxes accrued.
- (2)
 - (a) A claimant meeting the requirements of this part may claim in any year either a renter's credit under Section 59-2-1209, a homeowner's credit as provided under Section 59-2-1208, or both.
 - (b) If a claimant who owns a residence claims a credit under Subsection (2)(a), the credit shall be applied against the claimant's property taxes accrued.
- (3) Interest is not allowed on any payment made to a renter's or homeowner's credit claimant under this part.

Amended by Chapter 309, 1998 General Session

59-2-1205 Time for filing claim for renter's credit.

No claim with respect to a renter's credit may be paid or allowed unless the claim is actually filed with, and in the possession of, the commission on or before December 31 of each calendar year.

Renumbered and Amended by Chapter 4, 1987 General Session

59-2-1206 Application for homeowner's credit -- Time for filing -- Payment from General Fund.

- (1)
 - (a) A claimant applying for a homeowner's credit shall annually file an application for the credit with the county before September 1.
 - (b) The application under this section shall:
 - (i) be on forms provided by:
 - (A) the commission; or
 - (B) the county in which the applicant resides; and
 - (ii) include a household income statement signed by the claimant stating that:
 - (A) the income statement is correct; and
 - (B) the claimant qualifies for the credit.
 - (c)
 - (i) Subject to Subsection (1)(c)(ii), a county shall apply the credit in accordance with this section and Section 59-2-1207 for the year in which the claimant applies for a homeowner's credit if the claimant meets the criteria for obtaining a homeowner's credit as provided in this part.
 - (ii) A homeowner's credit under this part may not exceed the claimant's property tax liability for the year in which the claimant applies for a homeowner's credit under this part.
 - (d) A claimant may qualify for a homeowner's credit under this part regardless of whether the claimant owes delinquent property taxes.
- (2)
 - (a)
 - (i) The county shall compile a list of claimants and the homeowner's credits granted to the claimants for purposes of obtaining payment from the General Fund for the amount of credits granted.
 - (ii) A county may not obtain payment from the General Fund for the amount described in Subsection 59-2-1202(7).
 - (b) Upon certification by the commission the payment for the credits under this Subsection (2) shall be made to the county on or before January 1 if the list of claimants and the credits granted are received by the commission on or before November 30 of the year in which the credits under this part are granted.
 - (c) If the commission does not receive the list under this Subsection (2) on or before November 30, payment shall be made within 30 days of receipt of the list of claimants and credits from the county.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1207 Claim applied against tax liability -- One claimant per household per year.

- (1) A county shall apply as provided in Subsection 59-2-1206(1)(c) the amount of a credit under this part against:
 - (a) a claimant's property tax liability; or
 - (b) the property tax liability of a spouse who was a member of the claimant's household in the year in which the claimant applies for a homeowner's credit under this part.
- (2) Only one claimant per household per year is entitled to payment under this part.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1208 Amount of homeowner's credit -- Cost-of-living adjustment -- Limitation -- General Fund as source of credit.

(1)

- (a) Subject to Subsection (2), for a calendar year beginning on or after January 1, 2007, a claimant may claim a homeowner's credit that does not exceed the following amounts:

If household income is	Homeowner's credit
\$0 -- \$9,159	\$798
\$9,160 -- \$12,214	\$696
\$12,215 -- \$15,266	\$597
\$15,267 -- \$18,319	\$447
\$18,320 -- \$21,374	\$348
\$21,375 -- \$24,246	\$199
\$24,247 -- \$26,941	\$98

(b)

- (i) For a calendar year beginning on or after January 1, 2008, the commission shall increase or decrease the household income eligibility amounts and the credits under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006.
- (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
- (2) An individual who is claimed as a personal exemption on another individual's individual income tax return during any portion of a calendar year for which the individual seeks to claim a homeowner's credit under this section may not receive the homeowner's credit.
- (3) A payment for a homeowner's credit allowed by this section, and provided for in Section 59-2-1204, shall be paid from the General Fund.

Amended by Chapter 375, 2016 General Session

59-2-1209 Amount of renter's credit -- Cost-of-living adjustment -- Renter's credit may be claimed only for rent that does not constitute a rental assistance payment -- Limitation -- General Fund as source of credit -- Maximum credit.

(1)

- (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, 2007, a claimant may claim a renter's credit for the previous calendar year that does not exceed the following amounts:

If household income is	Percentage of rent allowed as a credit
\$0 -- \$9,159	9.5%

\$9,160 -- \$12,214	8.5%
\$12,215 -- \$15,266	7.0%
\$15,267 -- \$18,319	5.5%
\$18,320 -- \$21,374	4.0%
\$21,375 -- \$24,246	3.0%
\$24,247 -- \$26,941	2.5%

(b)

- (i) For a calendar year beginning on or after January 1, 2008, the commission shall increase or decrease the household income eligibility amounts under Subsection (1)(a) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2006.
 - (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
- (2) A claimant may claim a renter's credit under this part only for rent that does not constitute a rental assistance payment.
 - (3) An individual who is claimed as a personal exemption on another individual's individual income tax return during any portion of a calendar year for which the individual seeks to claim a renter's credit under this section may not receive a renter's credit.
 - (4) A payment for a renter's credit allowed by this section, and provided for in Section 59-2-1204, shall be paid from the General Fund.
 - (5) For calendar years beginning on or after January 1, 2007, a credit under this section may not exceed the maximum amount allowed as a homeowner's credit for each income bracket under Subsection 59-2-1208(1)(a).

Amended by Chapter 375, 2016 General Session

59-2-1211 Commission to provide forms and instructions -- County may prepare forms and instructions -- County legislative body authority to adopt rules or ordinances.

- (1) The commission shall prescribe and make available suitable forms and instructions for:
 - (a) claimants; and
 - (b) counties.
- (2) A county is not required to use the forms and instructions prescribed by the commission under Subsection (1) if the county prepares suitable forms and instructions for a claimant consistent with:
 - (a) this chapter; and
 - (b) rules adopted by the commission.
- (3) The county legislative body may adopt rules or ordinances to:
 - (a) effectuate the property tax relief under this part; and
 - (b) designate one or more persons to perform the functions given the county under this part.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1213 Statement required of renter claimant.

Every renter claimant under this part shall supply to the commission, in support of the claim, a statement showing reasonable proof of rent paid, the name and address of the owner or managing agent of the property rented, and any changes of residence.

Renumbered and Amended by Chapter 4, 1987 General Session

59-2-1214 Redetermination of claim by commission or county.

- (1) If, on the audit of any claim filed under this part, the commission or the county determines the amount has been incorrectly determined, the commission or the county shall:
 - (a) redetermine the claim; and
 - (b) notify the claimant of the redetermination and its reason for the redetermination.
- (2) The redetermination provided in Subsection (1)(a) shall be final unless appealed within 30 days after the notice required by Subsection (1)(b).

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1215 Fraudulent or negligently prepared claim -- Penalties and interest -- Procedure.

- (1)
 - (a) If the commission or the county determines that a claim is excessive and was filed with fraudulent intent:
 - (i) the claim shall be disallowed in full;
 - (ii) the credit shall be cancelled;
 - (iii) the amount paid or claimed shall be recovered by assessment; and
 - (iv) the assessment provided for in Subsection (1)(a)(iii) shall bear interest:
 - (A) from the date of the claim;
 - (B) until refunded or paid; and
 - (C) at the rate of 1% per month.
 - (b) The claimant, and any person who assists in the preparation or filing of an excessive claim or supplies information upon which an excessive claim was prepared, with fraudulent intent, is guilty of a class A misdemeanor.
- (2) If the commission or the county determines that a claim is excessive and negligently prepared:
 - (a) 10% of the corrected claim shall be disallowed;
 - (b) the proper portion of any amount paid shall be similarly recovered by assessment; and
 - (c) the assessment provided for in Subsection (2)(b) shall bear interest at 1% per month from the date of payment until refunded or paid.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1216 Rented homestead -- Rent constituting property taxes.

If a homestead is rented by a person from another person under circumstances deemed by the commission to be not at arm's-length, the commission may determine rent as at arm's-length, and the determination shall be final unless appealed within 30 days.

Amended by Chapter 309, 1998 General Session

59-2-1217 Denial of relief -- Appeal.

Any person aggrieved by the denial in whole or in part of relief claimed under this part, except when the denial is based upon late filing of claim for relief, may appeal the denial to the commission by filing a petition within 30 days after the denial.

Renumbered and Amended by Chapter 4, 1987 General Session

59-2-1219 Claim disallowed if residence obtained for purpose of receiving benefits.

A claim shall be disallowed if the commission or county finds that the claimant received title to a residence primarily for the purpose of receiving benefits under this part.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session

59-2-1220 Extension of time for filing claim -- County authority to make refunds.

(1) The commission or a county may extend the time for filing a claim until December 31 of the year the claim is required to be filed, if the commission or county finds that good cause exists to extend the deadline.

(2)

(a) For purposes of this Subsection (2):

(i) "Abatement" means the amount of property taxes accrued that constitutes a tax abatement for the poor in accordance with Subsection 59-2-1202(7).

(ii) "Credit" means a homeowner's credit or renter's credit authorized by this part.

(iii) "Property taxes due" means the taxes due on a claimant's property:

(A) for which an abatement or a credit is granted by a county or the commission; and

(B) for the calendar year for which the abatement or credit is granted.

(iv) "Property taxes paid" is an amount equal to the sum of:

(A) the amount of the property taxes the claimant paid for the taxable year for which the claimant is applying for the abatement or credit; and

(B) the amount of the abatement or credit the county or the commission grants.

(b) A county or the commission granting an abatement or a credit to a claimant shall refund to that claimant an amount equal to the amount by which the claimant's property taxes paid exceed the claimant's property taxes due, if that amount is \$1 or more.

Amended by Chapter 221, 2001 General Session

Amended by Chapter 310, 2001 General Session